


CITY OF BROOKSVILLE

MEMORANDUM

TO: Mayor Mary A. Staib
Vice Mayor Joe Bernardini
Council Member Joseph E. Johnston, III
Council Member Richard E. Lewis
Council Member E. E. "Ernie" Wever, Jr.

FROM: Richard E. Anderson 
City Manager

DATE: September 22, 2004

SUBJECT: Pay Plan Adjustment

Although the City recognized the need to revise pay levels to remain competitive in the labor market, last year it was necessary to defer consideration.

Personnel costs are the largest component of the budget (75% General Fund next year) and are increasing, therefore building in long term commitments requires careful planning.

As the annualized cost of a Pay Grade adjustment continues to increase (merit and longevity adjustments, overtime pay, and other benefits are based on percentages of base pay), the recommended combination of an increase in base pay (2.5%) in September was approved, and funds (\$149,500) for a one time pay plan adjustment in December were budgeted (revised projection is \$145,000).

Following the last Council meeting when the funds for a 3% pay adjustment were authorized, Council Member Wever suggested further as an alternative consideration of second 2.5% Pay Grade increase (effective October 14, 2004, the first pay period in the next Fiscal Year).

Ron Baker, Human Resource Director, contacted a number of employees informally to determine their preference, in the event they had the option. As anticipated (although not a statistically reliable sample) those contacted preferred another Pay Grade increase instead of the lump sum adjustment. As indicated above, the short term cost of a one Grade (approximately 2.5%) increase (about \$132,000 next year) would be lower, but the long term cost would be higher.

Council Member Wever subsequently requested that the option be review by Council at the next meeting.

cc: Finance Director

Human Resources Director

G:\WP_WORK\Tpome\Memos\City Memos\2004\CM 04-015 pay plan adjustment.wpd